

State of Utah School and Institutional TRUST LANDS ADMINISTRATION

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Michael O. Leavitt Governor Kevin S. Carter Director 675 East 500 South, Suite 500 Salt Lake City, Utah 84102-2818 801-538-5100 801-355-0922 (Fax) http://www.trustlands.com

September 19, 2003

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DIV OF OIL GAS & MINING

CERTIFIED MAIL # 7106 4575 1292 2028 4508

Organite, Inc. 423 Weiss Rd. Shelocta, PA 15774

RE:

Reclamation Requirement For Bond Release

Utah Mineral Lease ML 40880-Clay

DOGM Permit #S/023/009

Gentlemen:

On July 5, 2000, the Director accepted a cash bond in the amount of \$5,000.00 posted by Organite, Inc. for reclamation of mining disturbances upon the lands covered by Utah mineral lease ML 40880-Clay. The lease will expire on September 30, 2003, and reclamation of mining disturbances must be immediately performed by the Lessee.

Mining disturbances upon the lands covered by ML 40880-Clay consist of a small (approximately 0.5 acres) area containing trenches and berms dug at the toe of Painted Rocks hill. The Trust Lands Administration requires the Lessee to grade the berms back into the hillside, filling the trenches, and to remove all old timbers and other trash and debris from the site. The entire disturbed area must then be reseeded using a heavy application of drought resistant shrubs and herbs and the seed must be hand-raked into the soil.

Please complete the above described reclamation work within the next thirty (30) days. Failure of Lessee to act may result in the forfeiture of Lessee's \$5,000.00 cash bond. Lessee is also liable to perform reclamation of the site as required by Utah Division of Oil, Gas & Mining Small Mine permit #S/023/009. Please contact the Division of Oil, Gas & Mining (801)-538-5286 if you have any questions regarding your obligations under the DOGM mining permit. You may call me at (801) 538-5152 if you have any questions regarding your mineral lease or the \$5,000.00 cash bond held by the Trust Lands Administration.

Sincerely,

John T. Blake

Mineral Resources Specialist

CC: Wayne Hedberg

